

Xanadoo Company Posts Financial Information For Fiscal Year 2006

Bala Cynwyd, Pennsylvania, June 1, 2007. Xanadoo Company (Pink Sheets: XAND) today announced that it has posted its audited consolidated financial statements for the fiscal years ended December 31, 2006 and 2005 to the Investor Relations section of its website, www.xanadoo.com. As disclosed in the financial statements, a subsidiary of Xanadoo Company issued \$30 million in senior secured notes in a financing completed in May. Proceeds from the financing will be primarily used for the development of its “Xanadoo Wireless High-Speed Internet” branded wireless broadband business.

About Xanadoo:

Xanadoo Company provides wireless broadband services to residential and enterprise customers in Texas and Oklahoma under the brand name “Xanadoo Wireless High-Speed Internet”. Xanadoo is commercializing WiMAX wireless technology over 2.5 GHz licensed frequencies. WiMAX, also known as 802.16e, is a “fourth generation” (4G) wireless technology standard that offers users speeds comparable to wireline technologies like cable and DSL with the mobility of traditional cellular voice services. Xanadoo has rights to 2.5 GHz licenses covering approximately 8 million people in Texas, Arkansas, Illinois, Kansas, Minnesota, Missouri, Nebraska, Oklahoma and West Virginia. Xanadoo is also a licensee of 700 MHz spectrum covering almost 170 million people in major markets such as New York, Boston, Philadelphia, Pittsburgh, Cleveland, Detroit, Chicago, Miami, Tampa, Phoenix, San Francisco, Sacramento, Portland and Seattle. Xanadoo expects that 4G wireless technologies will also be deployed in the 700 MHz frequency band.

Forward Looking Statements:

This press release contains forward looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) and may be based on the beliefs of our management, as well as assumptions made by and information currently available to our management.

These statements may differ materially from actual future events or results. When used, the words “estimate,” “project,” “believe,” “anticipate,” “hope,” “intend,” “expect,” and similar expressions are intended to identify forward looking statements, although not all forward looking statements contain these identifying words. Any statement that is not a historical fact, including estimates, projections, future trends and the outcome of events that have not yet occurred, is a forward looking statement. Such statements reflect our current views with respect to future events and are subject to unknown risks, uncertainties, and other factors that may cause actual results to differ from those contained in the forward looking statements.

Although it is not possible to create a comprehensive list of all factors that may cause actual results to differ from our forward looking statements, such factors include, but are not limited to, the following: general economic and business conditions, both nationally, internationally, and in the regions in which we operate; catastrophic events, including acts of terrorism; existing government regulations, and changes in, or the failure to comply with, government regulations, including rules that affect our 700 MHz and 2.5MHz licenses and license rights; competition, changes in business strategy or development plans; the cost of pursuing new business initiatives; an expansion of land based communications systems; technological developments and difficulties; an inability to obtain intellectual property licenses and to avoid committing intellectual property infringement; the ability to attract and retain qualified personnel; the availability and terms of capital to fund the expansion of our businesses; and other factors that would be relevant based upon our assets, the size of our business and the nature of our business. Readers of this press release are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date of the press release. We do not undertake any obligation to publicly release any revisions to these forward looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

As a result of Xanadoo Company's January 2, 2007 reverse stock split, Xanadoo Company (formerly known as Pegasus Communications Corporation) is not obligated to file periodic reports with the Securities and Exchange Commission.

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